

00778

1986/02/26



**BUREAU OF
INTELLIGENCE
AND RESEARCH**

ASSESSMENTS AND RESEARCH

PRATTVILLE, ALABAMA *44* Date 6/19/27
W. H. HARRIS
P. O. Collector

SECRET

(U) CHINA: CRIME AND PUNISHMENT IN THE 1980s

(C/NF) Summary

China is in the third year of a campaign to crack down on criminal activities ranging from murder and rape to influence peddling, embezzlement, and graft. At the same time, the Chinese Communist Party has been undertaking a "consolidation" aimed at improving members' workstyle, enhancing spirit, and enforcing discipline. In recent months, official corruption and nepotism have become particular foci of both the crackdown on crime and the party cleanup effort.

The reformers, however, face a dilemma in attempting to curb crime and corruption:

--If unchecked, the rising crime rate and increasingly serious official malfeasance threaten popular support for the current reforms and risk a political backlash by conservatives already uncomfortable with Deng Xiaoping's more relaxed approach to economic activity and sociocultural control.

--Attempts to preempt conservative criticism by harsher measures, however, help focus public attention on the negative side effects of the reforms and highlight such politically sensitive issues as corruption among party members, abuse of position by government officials for private gain, nepotism, and the involvement of some leaders' families in illegal or shady activities. The increased visibility of the problems may strengthen the conservatives' hand in criticizing the reforms.

Despite the risk, Deng, party chief Hu Yaobang, and Premier Zhao Ziyang have thrown their weight behind a renewed effort to curb crime and stem

SECRET
Declassify: OADR (multiple sources)

**WARNING NOTICE
INTELLIGENCE SOURCES AND
METHODS INVOLVED**

Report 1239-AR
February 26, 1986

~~SECRET~~
~~DECLASSIFIED~~

abuses. The result has been a major clampdown during the winter of 1986 that is likely to carry over at least into spring. For the first time, it threatens to go beyond singling out and publicizing a few egregious cases of errant--but relatively low-ranking--cadres. It has already involved one former government minister, one current vice minister, and several family members of relatively high-ranking officials.

* * * * *

SECRET/NOT RELEASABLE TO FOREIGN NATIONALS
NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
DISSEMINATION AND EXTRACTION OF INFORMATION
CONTROLLED BY ORIGINATOR

SECRET
REFURBISHED

Crime and Punishment in 1986

(C) Crime rates in urban China apparently rose significantly during 1985, reversing a sharp reduction in crime accomplished by a draconian crackdown the previous year. Nationwide, the rate was about 5 crimes per 10,000 people, roughly the same as in 1984, according to official data. But other available information suggests a substantial increase in major urban areas.

(C) In Beijing, for example, the crime rate rose from 6.2 per 10,000 in 1984 to 7.8 per 10,000 in 1985. It was significantly lower, however, than the reported rate for 1983--the year before the current three-year anti-crime campaign took effect--when 11.7 crimes were reported per 10,000 people in the capital. Shanghai reported a remarkably similar rate for 1985 of 8 crimes per 10,000 residents.

(C) Many forms of "white collar" crime apparently increased in 1985. Nationwide, more than 55,000 people were sentenced for crimes involving corruption, fraud, and theft, and the nation's courts claim to have recovered \$44 million in stolen funds. In addition, the State Auditing Administration reported uncovering \$2.9 billion in fraud, waste, tax evasion, and mismanagement. "Victimless crimes" have also been on the rise, most noticeably prostitution and gambling.

(S/NF/NC/OC) Prostitution is now widespread in many major cities. [REDACTED] B1

[REDACTED] Visitors to China in 1985 reported being solicited on the streets, in their hotel rooms, and by telephone. Gambling, too, is on the upsurge. In Shanghai alone, some 4,800 people were arrested and 110,000 disciplined for gambling in 1985; in nearby Jiangsu province, some 2,500 gambling dens were closed and about 10,000 people were apprehended. A Guangdong gambling parlor reportedly making 20,000 yuan (about \$7,000) per day--a considerable amount for China--was closed down.

(C) Chinese criminals apparently are becoming increasingly violent, despite evidence that the rate of murders may have remained remarkably stable over the years. In Shanghai, for

SECRET

DECLASSIFIED

example, security officials told US consular officers that the murder rate in China's most populous city--and one of its most crowded--was only about 90-100 per year and had changed little in 30 years. Most Shanghai murders stem from domestic disputes. Rape, however, has been increasing rapidly in Shanghai--up some 40 percent in 1985--and police officials have admitted that sex-related crimes have increased substantially in recent years.

(C) Criminal gangs are apparently also becoming more prevalent in China, as suggested by the almost legendary exploits of an extremely violent gang that indulged in a crime spree during the late 1970s which spread over much of eastern China. The gang was eventually run to ground by the police and army a few years ago and most of its members were killed in a shoot-out, according to one version circulating in Hong Kong. Other less lurid examples, however, suggest a serious problem with "organized crime." In 1985, for example, Chinese media reported the passing of death sentences against a gang leader in Beijing, against four members of a train robbery gang in northwest China, and, earlier this year, against a Guangzhou taxi robbery ring.

(C) The railroad system has had especially serious problems with security of all types. In early 1985, the ministries of railroads and public security held a conference on how to stop looting, theft of equipment, and robbery on the trains. At least three explosions in train stations or on trains in recent years are believed to have been deliberate acts of sabotage. On September 12, 1984, an alert citizen and a quick police officer reportedly narrowly averted a major disaster when a bomb in the Guangzhou train station was removed moments before it exploded. On January 15, 1986, a despondent 27-year-old Hunan peasant blew himself up and killed or injured 46 others on board the Wuhan-Guangzhou express.

(C) Increasingly violent crime has led to a widespread imposition of capital punishment. In Zhengzhou, Henan, nine criminals were executed between January 29 and 31, 1986. At least 20 have been put to death in Beijing since the beginning of the year, and authorities in Guangzhou have executed at least five. Reports from other provincial cities suggest that nationwide upwards of 50 criminals have been executed already this year.

(C) Executions are being imposed for many crimes not thought of in the West as capital offenses. A Xian man convicted of stealing about \$10,000 in cash and valuables from foreigners' hotel rooms was executed in January, as were two motorcycle thieves in Guangzhou and two peasants from a Beijing suburb who

SECRET/NOT RELEASABLE TO FOREIGN NATIONALS
NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
DISSEMINATION AND EXTRACTION OF INFORMATION
CONTROLLED BY ORIGINATOR

SECRET
DECLASSIFIED

were convicted of the armed robbery of a taxi driver from whom they took less than \$20.

(C) Foreign estimates of the number of criminals put to death since 1983 range as high as 20,000. There is increasing concern that the legal as well as human rights of the accused are being violated. In a number of incidents, for example, Chinese media reports suggest that convicted criminals have been taken directly from court to the execution ground in violation of article 131 of the PRC's criminal procedure law which guarantees a three-day appeal period.

(LOU) Recent speeches by such top party officials as General Secretary Hu Yaobang, Vice Premier Tian Jiyun, Military Commission Permanent Vice Chairman Yang Shangkun, and Secretariat member Wang Zhaoquo suggest that the strict measures will continue in 1986. Politburo member Hu Qili recently indicated that some party officials could even be executed. Indeed, in February several children of high-ranking cadres in Shanghai were sent to prison and three--including the son of the former No. 2 man in the municipal party apparatus--were put to death.

(S/NF/NC/OC) Some Insight Into the 1983 Campaign Against Crime

The conduct of this year's anti-crime program may benefit from lessons the leadership learned during the highly publicized crackdown in 1983. Leadership efforts to curb crime at that time--which, according to rumor, started after Deng Xiaoping's vacation motorcade was waylaid by roadside bandits--led to widespread application of the death penalty.

[REDACTED]

[REDACTED]

[REDACTED]

SECRET//~~REFURBISHED~~

- 4 -

Curbing Nepotism

(LOU) Since the end of 1985, the Chinese leadership has issued at least five directives to check abuses by cadres who have used their official positions for private gain. In early January, a highly unusual conference of top leaders was convened to underscore the seriousness of the problem and the need to bring it under control. The leadership's renewed sensitivity to abuse of authority by high-level cadres seems to have been sparked by public complaints and international attention drawn to the problem of nepotism by student demonstrations last November and December.

(C/NF) Similar periodic outcries against abuse have had little apparent effect in the past, however. The failure of previous efforts to control the problem is reflected in the 1985 injunction of Central Advisory Commission Vice Chairman Bo Yibo, who called on the leadership to "stop swatting flies" and begin "attacking tigers." The recent "severe reprimand" for smuggling meted out by the party to a former minister and a current vice minister of astronautics is a promising beginning. But real progress in the drive to check abuses is unlikely without the exposure and punishment of other highly placed offenders.

(LOU) The 8,000 party, government, and military cadres who attended an unusual early-January conference were enjoined to curb abuse of position for personal or family gain. Indeed, this was the principal theme of the conference; of the five major speeches, only one devoted more attention to other topics. As a sign that it was serious about prosecuting abusers, the leadership announced the formation of a new oversight body to investigate top party, government, and military organs. It will be headed by Politburo member Qiao Shi, the party's highest ranking security official. According to rumors spreading within usually well-connected Hong Kong media circles, children of a number of top leaders are under investigation. Families of

REF ID: A65125
DECLASSIFIED

- 5 -

prominent conservatives, however, appear to be a main target: In February a son of the conservative chairman of the Shanghai Municipal People's Congress, Hu Lijiao, was executed.

(LOU) In early December, the Central Committee issued a Central Directive forbidding Chinese government and party cadres from engaging in private business activities. The directive is aimed at limiting cadres' ability to use their official positions for personal gain or to neglect their official duties while they seek private profit. A crucial part of the leadership's economic reform program is to improve administrative and management efficiency.

(LOU) On January 28, the Central Committee issued a circular calling for strict control over promotions, especially those that involve children of cadres or more than one grade. The circular calls for adherence to a system established in the early 1980s whereby personnel organs solicit nominations from "the masses" when selecting cadres for promotion. Of course, the personnel organs can themselves nominate promising candidates. After nomination and review at the initiating level, the case must be submitted to the next highest level for examination and approval. During the nomination and investigation stages, reviewers are supposed to consider "political integrity, ability, diligence, and merits." "Political integrity," according to the document, should focus principally on performance during the Cultural Revolution and since the landmark Third Plenum in 1978.

(LOU) Final decisions on personnel actions, according to the circular, must be collective. Individuals are not empowered to make personnel decisions by themselves, and influence peddling, jaw-boning, and arm-twisting on behalf of favorite candidates are strictly prohibited. A two-thirds quorum is required at party committee meetings at which personnel actions are to be decided. No member is authorized to block or veto the majority

SECRET/NOT RELEASABLE TO FOREIGN NATIONALS
NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
DISSEMINATION AND EXTRACTION OF INFORMATION
CONTROLLED BY ORIGINATOR

REF ID: A6574
~~SECRET~~

- 6 -

decision. All cases involving children of high-ranking cadres skipping a grade must be examined by the Central Committee's Organization Department and approved by the Secretariat.

(LOU) Expansion of staff and proliferation of agencies seem once again to be a problem despite considerable success in pruning back the bureaucracy in 1982-83. During the past three years, leaders have warned against overstaffing and unauthorized establishment of agencies; the January 28 circular specifically censures setting up unauthorized new organs, upgrading organs--for example, from "departmental" to "bureau" level--enlarging staff without approval, and taking personal staff along when transferred.

(C/NP) New Public Security Minister Settling In

In the middle of this effort to clamp down on crime and corruption, the government changed several top officials in charge of security work. Last year, Qiao Shi took over responsibility for party oversight of the entire political, legal, and security arena. Soon thereafter he was promoted to the Politburo and Secretariat. In September, the ministers of public security and state security were changed.

After getting off to an apparently slow start, new Public Security Minister Ruan Chongwu now appears to be attempting actively to raise his public profile and gain a measure of control over the traditionally secretive and exclusive security apparatus. In a recent spate of speeches and interviews, Ruan seems intent on appealing for support among rank and file by praising their dedication while calling attention to such diverse problems in police work as occasional corruption and widespread discourteous behavior. His comment that citizens are "not as afraid" now to report crimes, however, suggests considerable public distrust of the police due to past abuses.

An unlikely candidate for national police chief, Ruan is a 52-year-old, Soviet-trained engineer and economic planning specialist who was abruptly yanked from his post as vice mayor of Shanghai on September 6 to replace retiring Minister Liu Fuzhi as head of the far-flung Ministry of Public Security.

He said in a recent interview, "It is out of the needs of our country that I have come to work in the Ministry of Public Security, not because I am interested in or specialized in this work."

The appointment of an outsider to head the tight-knit and insular police system may have made Ruan's first few months

SECRET//~~REF ID: A6572~~ NOT RELEASABLE TO FOREIGN NATIONALS
NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
DISSEMINATION AND EXTRACTION OF INFORMATION
CONTROLLED BY ORIGINATOR

REF ID: A65121
SECRET//~~REF ID: A65121~~

- 7 -

difficult. [REDACTED]

B1

[REDACTED] Ruan probably has little strong support from such traditional power holders in the security service as Peng Zhen and Liu Fuzhi. In his first four months in office, Ruan has not appeared jointly in public with any of the security apparatus heavyweights. [REDACTED]

B1

[REDACTED] Perhaps reflecting his up-hill battle, Ruan has yet to make any top-level personnel changes. Almost four months after his appointment, Ruan told an interviewer: "Currently, I'm [still] working to familiarize myself with my work and the situation."

B1

[REDACTED]
Yet Ruan has an impressive record in advocating international technical cooperation and economic modernization, and recent statements suggest that he takes a "humanistic" view of criminology. He has pointed out, for example, the increased complexity of police work during the period of economic reform, with the advent of the "socialist planned commodity economy" leading to more opportunity for theft and burglary as well as "white collar" crime. His approach to juvenile delinquency emphasizes education and the control of access to "corrupt ideas" and "spiritual pollution" rather than strict application of the law. Similarly, regarding recent student demonstrations in Chengdu and Beijing, Ruan emphasized that no students were arrested, although some "bad elements" who "took advantage of the situation" to pilfer and vandalize were punished.

Prepared by Christopher M. Clarke
647-1343

Approved by Louis G. Sarris
647-1179

SECRET//
NOT RELEASABLE TO FOREIGN NATIONALS
NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
DISSEMINATION AND EXTRACTION OF INFORMATION
CONTROLLED BY ORIGINATOR